

AMENDED IN SENATE MAY 5, 2015
AMENDED IN SENATE APRIL 22, 2015
AMENDED IN SENATE APRIL 14, 2015

SENATE BILL

No. 396

Introduced by Senator Hill

February 25, 2015

An act to amend Section 805.5 of, and to add Section 2216.5 to, the Business and Professions Code, to amend Section 12529.7 of the Government Code, and to amend Sections 1204, 1248.15, and 1248.35 of the Health and Safety Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 396, as amended, Hill. Health care: outpatient settings and surgical clinics: facilities: licensure and enforcement.

Existing law provides for the licensure and regulation of clinics by the State Department of Public Health. A violation of those provisions is a misdemeanor. Existing law provides that certain types of specialty clinics, including surgical clinics, as defined, are eligible for licensure. Existing law excludes from the definition of surgical clinic any place or establishment owned or leased and operated as a clinic or office by one or more physicians or dentists in individual or group practice. Existing law requires a surgical clinic that is licensed or seeking licensure to comply with federal certification standards for an ambulatory surgical clinic until the department adopts regulations relating to the provision of services by a surgical clinic.

This bill would provide that a surgical clinic that has met the federal certification standards and requirements for an ambulatory surgical clinic is eligible for licensure by the department regardless of physician,

podiatrist, or dentist ownership. The bill would provide that a surgical clinic is deemed to have met the licensure requirements under the chapter upon presenting ~~documentation, within a 3-year period,~~ *documentation* that the surgical clinic has met the federal certification requirements for an ambulatory surgical ~~clinic.~~ *clinic in the 3 years prior to applying for licensure.*

The Medical Practice Act provides for the licensure and regulation of physicians and surgeons by the Medical Board of California. Existing law provides that it is unprofessional conduct for a physician and surgeon to perform procedures in any outpatient setting except in compliance with specified provisions. Existing law prohibits an association, corporation, firm, partnership, or person from operating, managing, conducting, or maintaining an outpatient setting in the state unless the setting is one of the specified settings, which includes, among others, an ambulatory surgical clinic that is certified to participate in the Medicare program, a surgical clinic licensed by the State Department of Public Health, or an outpatient setting accredited by an accreditation agency approved by the Division of Licensing of the Medical Board of California.

Existing law provides that an outpatient setting that is accredited shall be inspected by the accreditation agency and may be inspected by the Medical Board of California. Existing law requires that the inspections be conducted no less often than once every 3 years by the accreditation agency and as often as necessary by the Medical Board of California to ensure quality of care provided.

This bill would require that all subsequent inspections after the initial inspection for accreditation be unannounced. This bill would require an outpatient setting accredited by the division and a facility certified to participate in the federal Medicare program as an ambulatory surgical center to pay certain fees and to comply with certain data submission requirements.

Existing law requires members of the medical staff and other practitioners who are granted clinical privileges in an outpatient setting to be professionally qualified and appropriately credentialed for the performance of privileges granted and requires the outpatient setting to grant privileges in accordance with recommendations from qualified health professionals, and credentialing standards established by the outpatient setting.

This bill would additionally require that each licensee who performs procedures in an outpatient setting that requires the outpatient setting

to be accredited be peer reviewed, as specified, at least every 2 years, by licensees who are qualified by education and experience to perform the same types of, or similar, procedures. The bill would require the findings of the peer review to be reported to the accrediting body who shall determine if the licensee continues to be professionally qualified and appropriately credentialed for the performance of privileges granted. By expanding the scope of a crime, this bill would impose a state-mandated local program.

Existing law requires specified entities, including any health care service plan or medical care foundation, to request a report from the Medical Board of California, the Board of Psychology, the Osteopathic Medical Board of California, or the Dental Board of California, prior to granting or renewing staff privileges, to determine if a certain report has been made indicating that the applying physician and surgeon, psychologist, podiatrist, or dentist has been denied staff privileges, been removed from a medical staff, or had his or her staff privileges restricted.

This bill would also require an outpatient setting and a facility certified to participate in the federal Medicare program as an ambulatory surgical center to request that report. By expanding the scope of a crime, this bill would impose a state-mandated local program.

Existing law establishes a vertical enforcement and prosecution model for cases before the Medical Board of California, and requires the board to report to the Governor and the Legislature on that model by March 1, 2015.

This bill would extend the date that report is due to March 1, 2016.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 805.5 of the Business and Professions
- 2 Code is amended to read:
- 3 805.5. (a) Prior to granting or renewing staff privileges for
- 4 any physician and surgeon, psychologist, podiatrist, or dentist, any
- 5 health facility licensed pursuant to Division 2 (commencing with

1 Section 1200) of the Health and Safety Code, any health care
2 service plan or medical care foundation, the medical staff of the
3 institution, a facility certified to participate in the federal Medicare
4 program as an ambulatory surgical center, or an outpatient setting
5 accredited pursuant to Section 1248.1 of the Health and Safety
6 Code shall request a report from the Medical Board of California,
7 the Board of Psychology, the Osteopathic Medical Board of
8 California, or the Dental Board of California to determine if any
9 report has been made pursuant to Section 805 indicating that the
10 applying physician and surgeon, psychologist, podiatrist, or dentist
11 has been denied staff privileges, been removed from a medical
12 staff, or had his or her staff privileges restricted as provided in
13 Section 805. The request shall include the name and California
14 license number of the physician and surgeon, psychologist,
15 podiatrist, or dentist. Furnishing of a copy of the 805 report shall
16 not cause the 805 report to be a public record.

17 (b) Upon a request made by, or on behalf of, an institution
18 described in subdivision (a) or its medical staff the board shall
19 furnish a copy of any report made pursuant to Section 805 as well
20 as any additional exculpatory or explanatory information submitted
21 electronically to the board by the licensee pursuant to subdivision
22 (f) of that section. However, the board shall not send a copy of a
23 report (1) if the denial, removal, or restriction was imposed solely
24 because of the failure to complete medical records, (2) if the board
25 has found the information reported is without merit, (3) if a court
26 finds, in a final judgment, that the peer review, as defined in
27 Section 805, resulting in the report was conducted in bad faith and
28 the licensee who is the subject of the report notifies the board of
29 that finding, or (4) if a period of three years has elapsed since the
30 report was submitted. This three-year period shall be tolled during
31 any period the licensee has obtained a judicial order precluding
32 disclosure of the report, unless the board is finally and permanently
33 precluded by judicial order from disclosing the report. If a request
34 is received by the board while the board is subject to a judicial
35 order limiting or precluding disclosure, the board shall provide a
36 disclosure to any qualified requesting party as soon as practicable
37 after the judicial order is no longer in force.

38 If the board fails to advise the institution within 30 working days
39 following its request for a report required by this section, the

1 institution may grant or renew staff privileges for the physician
2 and surgeon, psychologist, podiatrist, or dentist.

3 (c) Any institution described in subdivision (a) or its medical
4 staff that violates subdivision (a) is guilty of a misdemeanor and
5 shall be punished by a fine of not less than two hundred dollars
6 (\$200) nor more than one thousand two hundred dollars (\$1,200).

7 SEC. 2. Section 2216.5 is added to the Business and Professions
8 Code, to read:

9 2216.5. An outpatient setting accredited pursuant to Section
10 1248.1 of the Health and Safety Code and a facility certified to
11 participate in the federal Medicare program as an ambulatory
12 surgical center are subject to the requirements of the following
13 provisions: Section 1216, subdivision (f) of Section 127280,
14 Section 127285, and Section 128737 of the Health and Safety
15 Code. Any fees collected pursuant to subdivision (f) of Section
16 127280 of the Health and Safety Code shall not exceed the
17 reasonable costs incurred by the Office of Statewide Health
18 Planning and Development in ~~regulating~~ *collecting and managing*
19 *the data reported by* the outpatient setting and the facility.

20 SEC. 3. Section 12529.7 of the Government Code is amended
21 to read:

22 12529.7. By March 1, 2016, the Medical Board of California,
23 in consultation with the Department of Justice and the Department
24 of Consumer Affairs, shall report and make recommendations to
25 the Governor and the Legislature on the vertical enforcement and
26 prosecution model created under Section 12529.6.

27 SEC. 4. Section 1204 of the Health and Safety Code is amended
28 to read:

29 1204. Clinics eligible for licensure pursuant to this chapter are
30 primary care clinics and specialty clinics.

31 (a) (1) Only the following defined classes of primary care
32 clinics shall be eligible for licensure:

33 (A) A “community clinic” means a clinic operated by a
34 tax-exempt nonprofit corporation that is supported and maintained
35 in whole or in part by donations, bequests, gifts, grants, government
36 funds or contributions, that may be in the form of money, goods,
37 or services. In a community clinic, any charges to the patient shall
38 be based on the patient’s ability to pay, utilizing a sliding fee scale.
39 No corporation other than a nonprofit corporation, exempt from
40 federal income taxation under paragraph (3) of subsection (c) of

1 Section 501 of the Internal Revenue Code of 1954 as amended, or
2 a statutory successor thereof, shall operate a community clinic;
3 provided, that the licensee of any community clinic so licensed on
4 the effective date of this section shall not be required to obtain
5 tax-exempt status under either federal or state law in order to be
6 eligible for, or as a condition of, renewal of its license. No natural
7 person or persons shall operate a community clinic.

8 (B) A “free clinic” means a clinic operated by a tax-exempt,
9 nonprofit corporation supported in whole or in part by voluntary
10 donations, bequests, gifts, grants, government funds or
11 contributions, that may be in the form of money, goods, or services.
12 In a free clinic there shall be no charges directly to the patient for
13 services rendered or for drugs, medicines, appliances, or
14 apparatuses furnished. No corporation other than a nonprofit
15 corporation exempt from federal income taxation under paragraph
16 (3) of subsection (c) of Section 501 of the Internal Revenue Code
17 of 1954 as amended, or a statutory successor thereof, shall operate
18 a free clinic; provided, that the licensee of any free clinic so
19 licensed on the effective date of this section shall not be required
20 to obtain tax-exempt status under either federal or state law in
21 order to be eligible for, or as a condition of, renewal of its license.
22 No natural person or persons shall operate a free clinic.

23 (2) Nothing in this subdivision shall prohibit a community
24 clinic or a free clinic from providing services to patients whose
25 services are reimbursed by third-party payers, or from entering
26 into managed care contracts for services provided to private or
27 public health plan subscribers, as long as the clinic meets the
28 requirements identified in subparagraphs (A) and (B). For purposes
29 of this subdivision, any payments made to a community clinic by
30 a third-party payer, including, but not limited to, a health care
31 service plan, shall not constitute a charge to the patient. This
32 paragraph is a clarification of existing law.

33 (b) The following types of specialty clinics shall be eligible for
34 licensure as specialty clinics pursuant to this chapter:

35 (1) (A) A “surgical clinic” means a clinic that is not part of a
36 hospital and that provides ambulatory surgical care for patients
37 who remain less than 24 hours. A surgical clinic does not include
38 any place or establishment owned or leased and operated as a clinic
39 or office by one or more physicians, podiatrists, or dentists in

1 individual or group practice, regardless of the name used publicly
2 to identify the place or establishment.

3 (B) A physician, podiatrist, or dentist may, at his or her option,
4 apply for licensure. A surgical clinic shall be eligible for licensure
5 by the department regardless of physician, podiatrist, or dentist
6 ownership. A surgical clinic that has met the federal certification
7 standards and requirements for an ambulatory surgical clinic, as
8 specified in Part 416 of Title 42 of the Code of Federal Regulations,
9 shall be eligible for licensure by the department pursuant to this
10 chapter.

11 (C) Until the department adopts regulations relating to the
12 provision of services by a surgical clinic pursuant to Section 1225,
13 a surgical clinic is deemed to have met the licensure requirements
14 under this chapter upon presenting ~~documentation, within a~~
15 ~~three-year period,~~ *documentation* that the surgical clinic has met
16 the federal certification standards for an ambulatory surgical ~~clinic~~.
17 *clinic in the three years prior to applying for licensure.*

18 (2) A “chronic dialysis clinic” means a clinic that provides less
19 than 24-hour care for the treatment of patients with end-stage renal
20 disease, including renal dialysis services.

21 (3) A “rehabilitation clinic” means a clinic that, in addition to
22 providing medical services directly, also provides physical
23 rehabilitation services for patients who remain less than 24 hours.
24 Rehabilitation clinics shall provide at least two of the following
25 rehabilitation services: physical therapy, occupational therapy,
26 social, speech pathology, and audiology services. A rehabilitation
27 clinic does not include the offices of a private physician in
28 individual or group practice.

29 (4) An “alternative birth center” means a clinic that is not part
30 of a hospital and that provides comprehensive perinatal services
31 and delivery care to pregnant women who remain less than 24
32 hours at the facility.

33 SEC. 5. Section 1248.15 of the Health and Safety Code is
34 amended to read:

35 1248.15. (a) The board shall adopt standards for accreditation
36 and, in approving accreditation agencies to perform accreditation
37 of outpatient settings, shall ensure that the certification program
38 shall, at a minimum, include standards for the following aspects
39 of the settings’ operations:

1 (1) Outpatient setting allied health staff shall be licensed or
2 certified to the extent required by state or federal law.

3 (2) (A) Outpatient settings shall have a system for facility safety
4 and emergency training requirements.

5 (B) There shall be onsite equipment, medication, and trained
6 personnel to facilitate handling of services sought or provided and
7 to facilitate handling of any medical emergency that may arise in
8 connection with services sought or provided.

9 (C) In order for procedures to be performed in an outpatient
10 setting as defined in Section 1248, the outpatient setting shall do
11 one of the following:

12 (i) Have a written transfer agreement with a local accredited or
13 licensed acute care hospital, approved by the facility's medical
14 staff.

15 (ii) Permit surgery only by a licensee who has admitting
16 privileges at a local accredited or licensed acute care hospital, with
17 the exception that licensees who may be precluded from having
18 admitting privileges by their professional classification or other
19 administrative limitations, shall have a written transfer agreement
20 with licensees who have admitting privileges at local accredited
21 or licensed acute care hospitals.

22 (iii) Submit for approval by an accrediting agency a detailed
23 procedural plan for handling medical emergencies that shall be
24 reviewed at the time of accreditation. No reasonable plan shall be
25 disapproved by the accrediting agency.

26 (D) The outpatient setting shall submit for approval by an
27 accreditation agency at the time of accreditation a detailed plan,
28 standardized procedures, and protocols to be followed in the event
29 of serious complications or side effects from surgery that would
30 place a patient at high risk for injury or harm or to govern
31 emergency and urgent care situations. The plan shall include, at a
32 minimum, that if a patient is being transferred to a local accredited
33 or licensed acute care hospital, the outpatient setting shall do all
34 of the following:

35 (i) Notify the individual designated by the patient to be notified
36 in case of an emergency.

37 (ii) Ensure that the mode of transfer is consistent with the
38 patient's medical condition.

39 (iii) Ensure that all relevant clinical information is documented
40 and accompanies the patient at the time of transfer.

1 (iv) Continue to provide appropriate care to the patient until the
2 transfer is effectuated.

3 (E) All physicians and surgeons transferring patients from an
4 outpatient setting shall agree to cooperate with the medical staff
5 peer review process on the transferred case, the results of which
6 shall be referred back to the outpatient setting, if deemed
7 appropriate by the medical staff peer review committee. If the
8 medical staff of the acute care facility determines that inappropriate
9 care was delivered at the outpatient setting, the acute care facility's
10 peer review outcome shall be reported, as appropriate, to the
11 accrediting body or in accordance with existing law.

12 (3) The outpatient setting shall permit surgery by a dentist acting
13 within his or her scope of practice under Chapter 4 (commencing
14 with Section 1600) of Division 2 of the Business and Professions
15 Code or physician and surgeon, osteopathic physician and surgeon,
16 or podiatrist acting within his or her scope of practice under
17 Chapter 5 (commencing with Section 2000) of Division 2 of the
18 Business and Professions Code or the Osteopathic Initiative Act.
19 The outpatient setting may, in its discretion, permit anesthesia
20 service by a certified registered nurse anesthetist acting within his
21 or her scope of practice under Article 7 (commencing with Section
22 2825) of Chapter 6 of Division 2 of the Business and Professions
23 Code.

24 (4) Outpatient settings shall have a system for maintaining
25 clinical records.

26 (5) Outpatient settings shall have a system for patient care and
27 monitoring procedures.

28 (6) (A) Outpatient settings shall have a system for quality
29 assessment and improvement.

30 (B) (i) Members of the medical staff and other practitioners
31 who are granted clinical privileges shall be professionally qualified
32 and appropriately credentialed for the performance of privileges
33 granted. The outpatient setting shall grant privileges in accordance
34 with recommendations from qualified health professionals, and
35 credentialing standards established by the outpatient setting.

36 (ii) Each licensee who performs procedures in an outpatient
37 setting that requires the outpatient setting to be accredited shall
38 be, at least every two years, peer reviewed, which shall be a process
39 in which the basic qualifications, staff privileges, employment,
40 medical outcomes, or professional conduct of a licensee is reviewed

1 to make recommendations for quality improvement and education,
2 if necessary, including when the outpatient setting has only one
3 licensee. The peer review shall be performed by licensees who are
4 qualified by education and experience to perform the same types
5 of, or similar, procedures. The findings of the peer review shall
6 be reported to the accrediting body who shall determine if the
7 licensee continues to meet the requirements described in clause
8 (i).

9 (C) Clinical privileges shall be periodically reappraised by the
10 outpatient setting. The scope of procedures performed in the
11 outpatient setting shall be periodically reviewed and amended as
12 appropriate.

13 (7) Outpatient settings regulated by this chapter that have
14 multiple service locations shall have all of the sites inspected.

15 (8) Outpatient settings shall post the certificate of accreditation
16 in a location readily visible to patients and staff.

17 (9) Outpatient settings shall post the name and telephone number
18 of the accrediting agency with instructions on the submission of
19 complaints in a location readily visible to patients and staff.

20 (10) Outpatient settings shall have a written discharge criteria.

21 (b) Outpatient settings shall have a minimum of two staff
22 persons on the premises, one of whom shall either be a licensed
23 physician and surgeon or a licensed health care professional with
24 current certification in advanced cardiac life support (ACLS), as
25 long as a patient is present who has not been discharged from
26 supervised care. Transfer to an unlicensed setting of a patient who
27 does not meet the discharge criteria adopted pursuant to paragraph
28 (10) of subdivision (a) shall constitute unprofessional conduct.

29 (c) An accreditation agency may include additional standards
30 in its determination to accredit outpatient settings if these are
31 approved by the board to protect the public health and safety.

32 (d) No accreditation standard adopted or approved by the board,
33 and no standard included in any certification program of any
34 accreditation agency approved by the board, shall serve to limit
35 the ability of any allied health care practitioner to provide services
36 within his or her full scope of practice. Notwithstanding this or
37 any other provision of law, each outpatient setting may limit the
38 privileges, or determine the privileges, within the appropriate scope
39 of practice, that will be afforded to physicians and allied health
40 care practitioners who practice at the facility, in accordance with

1 credentialing standards established by the outpatient setting in
2 compliance with this chapter. Privileges may not be arbitrarily
3 restricted based on category of licensure.

4 (e) The board shall adopt standards that it deems necessary for
5 outpatient settings that offer in vitro fertilization.

6 (f) The board may adopt regulations it deems necessary to
7 specify procedures that should be performed in an accredited
8 outpatient setting for facilities or clinics that are outside the
9 definition of outpatient setting as specified in Section 1248.

10 (g) As part of the accreditation process, the accrediting agency
11 shall conduct a reasonable investigation of the prior history of the
12 outpatient setting, including all licensed physicians and surgeons
13 who have an ownership interest therein, to determine whether there
14 have been any adverse accreditation decisions rendered against
15 them. For the purposes of this section, “conducting a reasonable
16 investigation” means querying the Medical Board of California
17 and the Osteopathic Medical Board of California to ascertain if
18 either the outpatient setting has, or, if its owners are licensed
19 physicians and surgeons, if those physicians and surgeons have,
20 been subject to an adverse accreditation decision.

21 SEC. 6. Section 1248.35 of the Health and Safety Code is
22 amended to read:

23 1248.35. (a) Every outpatient setting that is accredited shall
24 be inspected by the accreditation agency and may also be inspected
25 by the Medical Board of California. The Medical Board of
26 California shall ensure that accreditation agencies inspect outpatient
27 settings.

28 (b) Unless otherwise specified, the following requirements apply
29 to inspections described in subdivision (a).

30 (1) The frequency of inspection shall depend upon the type and
31 complexity of the outpatient setting to be inspected.

32 (2) Inspections shall be conducted no less often than once every
33 three years by the accreditation agency and as often as necessary
34 by the Medical Board of California to ensure the quality of care
35 provided. After the initial inspection for accreditation, all
36 subsequent inspections shall be unannounced.

37 (3) The Medical Board of California or the accreditation agency
38 may enter and inspect any outpatient setting that is accredited by
39 an accreditation agency at any reasonable time to ensure
40 compliance with, or investigate an alleged violation of, any

1 standard of the accreditation agency or any provision of this
2 chapter.

3 (c) If an accreditation agency determines, as a result of its
4 inspection, that an outpatient setting is not in compliance with the
5 standards under which it was approved, the accreditation agency
6 may do any of the following:

7 (1) Require correction of any identified deficiencies within a
8 set timeframe. Failure to comply shall result in the accrediting
9 agency issuing a reprimand or suspending or revoking the
10 outpatient setting's accreditation.

11 (2) Issue a reprimand.

12 (3) Place the outpatient setting on probation, during which time
13 the setting shall successfully institute and complete a plan of
14 correction, approved by the board or the accreditation agency, to
15 correct the deficiencies.

16 (4) Suspend or revoke the outpatient setting's certification of
17 accreditation.

18 (d) (1) Except as is otherwise provided in this subdivision,
19 before suspending or revoking a certificate of accreditation under
20 this chapter, the accreditation agency shall provide the outpatient
21 setting with notice of any deficiencies and the outpatient setting
22 shall agree with the accreditation agency on a plan of correction
23 that shall give the outpatient setting reasonable time to supply
24 information demonstrating compliance with the standards of the
25 accreditation agency in compliance with this chapter, as well as
26 the opportunity for a hearing on the matter upon the request of the
27 outpatient setting. During the allotted time to correct the
28 deficiencies, the plan of correction, which includes the deficiencies,
29 shall be conspicuously posted by the outpatient setting in a location
30 accessible to public view. Within 10 days after the adoption of the
31 plan of correction, the accrediting agency shall send a list of
32 deficiencies and the corrective action to be taken to the board and
33 to the California State Board of Pharmacy if an outpatient setting
34 is licensed pursuant to Article 14 (commencing with Section 4190)
35 of Chapter 9 of Division 2 of the Business and Professions Code.
36 The accreditation agency may immediately suspend the certificate
37 of accreditation before providing notice and an opportunity to be
38 heard, but only when failure to take the action may result in
39 imminent danger to the health of an individual. In such cases, the

1 accreditation agency shall provide subsequent notice and an
2 opportunity to be heard.

3 (2) If an outpatient setting does not comply with a corrective
4 action within a timeframe specified by the accrediting agency, the
5 accrediting agency shall issue a reprimand, and may either place
6 the outpatient setting on probation or suspend or revoke the
7 accreditation of the outpatient setting, and shall notify the board
8 of its action. This section shall not be deemed to prohibit an
9 outpatient setting that is unable to correct the deficiencies, as
10 specified in the plan of correction, for reasons beyond its control,
11 from voluntarily surrendering its accreditation prior to initiation
12 of any suspension or revocation proceeding.

13 (e) The accreditation agency shall, within 24 hours, report to
14 the board if the outpatient setting has been issued a reprimand or
15 if the outpatient setting's certification of accreditation has been
16 suspended or revoked or if the outpatient setting has been placed
17 on probation. If an outpatient setting has been issued a license by
18 the California State Board of Pharmacy pursuant to Article 14
19 (commencing with Section 4190) of Chapter 9 of Division 2 of
20 the Business and Professions Code, the accreditation agency shall
21 also send this report to the California State Board of Pharmacy
22 within 24 hours.

23 (f) The accreditation agency, upon receipt of a complaint from
24 the board that an outpatient setting poses an immediate risk to
25 public safety, shall inspect the outpatient setting and report its
26 findings of inspection to the board within five business days. If an
27 accreditation agency receives any other complaint from the board,
28 it shall investigate the outpatient setting and report its findings of
29 investigation to the board within 30 days.

30 (g) Reports on the results of any inspection shall be kept on file
31 with the board and the accreditation agency along with the plan
32 of correction and the comments of the outpatient setting. The
33 inspection report may include a recommendation for reinspection.
34 All final inspection reports, which include the lists of deficiencies,
35 plans of correction or requirements for improvements and
36 correction, and corrective action completed, shall be public records
37 open to public inspection.

38 (h) If one accrediting agency denies accreditation, or revokes
39 or suspends the accreditation of an outpatient setting, this action
40 shall apply to all other accrediting agencies. An outpatient setting

1 that is denied accreditation is permitted to reapply for accreditation
2 with the same accrediting agency. The outpatient setting also may
3 apply for accreditation from another accrediting agency, but only
4 if it discloses the full accreditation report of the accrediting agency
5 that denied accreditation. Any outpatient setting that has been
6 denied accreditation shall disclose the accreditation report to any
7 other accrediting agency to which it submits an application. The
8 new accrediting agency shall ensure that all deficiencies have been
9 corrected and conduct a new onsite inspection consistent with the
10 standards specified in this chapter.

11 (i) If an outpatient setting's certification of accreditation has
12 been suspended or revoked, or if the accreditation has been denied,
13 the accreditation agency shall do all of the following:

14 (1) Notify the board of the action.

15 (2) Send a notification letter to the outpatient setting of the
16 action. The notification letter shall state that the setting is no longer
17 allowed to perform procedures that require outpatient setting
18 accreditation.

19 (3) Require the outpatient setting to remove its accreditation
20 certification and to post the notification letter in a conspicuous
21 location, accessible to public view.

22 (j) The board may take any appropriate action it deems necessary
23 pursuant to Section 1248.7 if an outpatient setting's certification
24 of accreditation has been suspended or revoked, or if accreditation
25 has been denied.

26 SEC. 7. No reimbursement is required by this act pursuant to
27 Section 6 of Article XIII B of the California Constitution because
28 the only costs that may be incurred by a local agency or school
29 district will be incurred because this act creates a new crime or
30 infraction, eliminates a crime or infraction, or changes the penalty
31 for a crime or infraction, within the meaning of Section 17556 of
32 the Government Code, or changes the definition of a crime within
33 the meaning of Section 6 of Article XIII B of the California
34 Constitution.